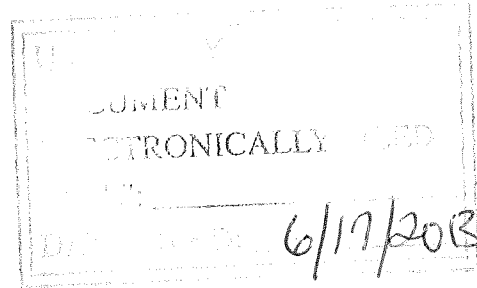


Status Report re: Tranche 3 and 4 Loan File Production, Identification, and Stipulation

June 14, 2013

MEMO ENDORSEDVIA ELECTRONIC MAIL

The Honorable Denise L. Cote
 Daniel Patrick Moynihan United States Courthouse
 500 Pearl Street, Room 1610
 New York, NY 10007-1312



Re: *FHFA v. Deutsche Bank AG, et al.*, 11-cv-6192, *FHFA v. Goldman Sachs & Co., et al.*, 11-cv-6198, and *FHFA v. Credit Suisse Holdings (USA), Inc., et al.*, 11-cv-6200 (collectively, the “Tranche 3 Actions”); *FHFA v. HSBC North America Holdings, Inc., et al.*, 11-cv-6189, *FHFA v. Barclays Bank PLC, et al.*, 11-cv-6190, *FHFA v. First Horizon National Corp., et al.*, 11-cv-6193, *FHFA v. Bank of America Corp., et al.*, 11-cv-6195, *FHFA v. Nomura Holding America, Inc., et al.*, 11-cv-6201, *FHFA v. SG Americas, Inc., et al.*, 11-cv-6203, *FHFA v. Morgan Stanley, et al.*, 11-cv-6739, and *FHFA v. Ally Financial, Inc., et al.*, 11-cv-7010 (collectively, the “Tranche 4 Actions”)

Dear Judge Cote:

On behalf of Plaintiff Federal Housing Finance Agency (“FHFA”), we write to update the Court on the status of the production, identification, and stipulation of loan files in the Tranche 3 and 4 Actions, pursuant to the Supplemental Expert Scheduling Order of February 27, 2013 (the “Supplemental ESO”), and in furtherance of FHFA’s May 31, 2013 status report.

Status of Sample Loan File Production

The status of Sample Loan File production to date in the Tranche 3 and 4 Actions, prior to recent supplementation of FHFA’s samples for certain Securitizations in those cases, is as follows:¹

Action	Securitizations	Sample Loans	Loan Files Produced	% Produced
Credit Suisse	43	4,900	4,614	94%
Deutsche Bank	40	4,700	4,104	87%
Goldman Sachs	40	4,000	3,635	91%
Morgan Stanley	33	3,400	3,054	90%
BOA	23	3,000	2,875	96%
Ally	21	2,100	2,100	100%
HSBC	17	1,800	1,800	100%
Barclays	8	800	681	85%
Nomura	7	700	698	100%

¹ These numbers reflect the Sample Loan Files received, processed, and matched by FHFA’s vendor as of June 11, 2013.

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Action	Securitized	Sample Loans	Loan Files Produced	% Produced
First Horizon	5	500	494	99%
SG Americas	3	400	400	100%
Totals	240	26,300	24,455	93%

As shown in the table above, nearly 24,500 out of 26,300 Sample Loan Files have been produced to date. For the remaining approximately 1,800 Sample Loan Files, FHFA believes that it has exhausted its efforts with every potential source from which the Sample Loan Files might be obtained and that third-party discovery efforts are largely completed.

Status of Loan File and Loan-Guideline Stipulations

In its May 31, 2013 status report, FHFA reported that, of the 240 Securitized at issue in the Tranche 3 and 4 Actions, there were (a) 46 Securitized that did not require supplementation and for which the parties had finished meeting and conferring regarding stipulations to Loan Files and Guidelines; (b) 115 Securitized that would likely not require supplementation but for which an extension until June 14, 2013 was sought (and later granted) to complete the stipulation process; and (c) 79 Securitized that would require supplementation. The parties submitted a proposed order to govern the supplementation process for these latter 79 Securitized; the Court entered that Order on June 11, 2013.

During the two-week extension provided by the Court to meet and confer regarding stipulations, the parties made substantial progress. There are now 78 Securitized for which the parties have completed the stipulation process and for which no supplementation of FHFA's samples will be necessary. These Securitized are identified on Exhibit 1.

There are another 84 Securitized for which FHFA and the relevant parties seek an extension of the deadline for production, identification, and stipulation of Loan Files and Guideline documents. While the parties have completed meeting and conferring for a substantial number of the Sample Loans in these Securitized, the parties have not yet exhausted their efforts because certain Defendants have recently provided FHFA with new or revised proposals, or have indicated that they will do so soon, and FHFA needs time to review and respond to these proposals. Consequently, FHFA and Ally, Credit Suisse, Deutsche Bank, Morgan Stanley, and SocGen request an extension until June 28, 2013 for the production, identification, and stipulation deadline related to those Defendants' Securitized listed on Exhibit 2;² FHFA and HSBC jointly request an extension until July 15, 2013 to complete the stipulation process for the Securitized related to the *HSBC* action listed on that same Exhibit.³

² At this time, with two exceptions, FHFA does not anticipate that it will need to supplement its samples for any of the Securitized listed on Exhibit 2; if new information changes FHFA's assessment, FHFA will meet and confer with the Tranche 3 and 4 Defendants regarding a supplementation schedule.

³ FHFA does not anticipate the need to supplement its samples for any of the Securitized at issue in the *HSBC* action.

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Of the 79 Securitizations that FHFA identified in its May 31 status report as requiring supplementation, FHFA now believes that seven will not require supplementation.⁴ There are four additional Securitizations that FHFA identified on May 31 as not requiring supplementation but for which FHFA has since determined a small supplementation was necessary.⁵ FHFA asks that the terms of the Court's June 11 Order be applied to these Securitizations; the Goldman Sachs and Deutsche Bank Defendants consent to this request.

As a result, there are now a total of 76 Securitizations in the Tranche 3 and 4 Actions for which FHFA must supplement its samples. Per the Court's Order and FHFA's letter of June 12, 2013, FHFA will disclose its Supplemental Sample Loans for seven of these Securitizations next week.⁶ FHFA disclosed its Supplemental Sample Loans for the remaining 69 Securitizations on June 12, 2013; there are a total of 2,956 such loans in these samples, the distribution of those loans is provided in Exhibit 4. Of these Supplemental Sample Loans, FHFA believes that 900 have already been produced to the parties in this litigation, and that 2,056 need to be sought from third-party originators and servicers.

FHFA is available to discuss this status report at the Court's request, and intends to file another report on June 28, 2013.

The requests are
granted.
Denise Cote
June 17, 2013

⁴ These Securitizations are listed on Exhibit 3. Per the Court's order, the parties have until August 2, 2013 to finish meeting and conferring about stipulations for the Loan Files and Guidelines in FHFA's samples for these Securitizations. To the extent the parties have not already finished meeting and conferring, FHFA is glad to negotiate an earlier deadline with the relevant Defendants should the Court request it.

⁵ Two of the four Securitizations are AHMA 2006-A1 and GSR 2007-OA2, at issue in *Goldman Sachs*. The remaining two Securitizations, which are at issue in the *Deutsche Bank* action, are ACE 2006-HE4 and ACE 2007-HE1. FHFA disclosed its Supplemental Sample Loans for AHMA 2006-A1 on June 12, 2013 and will disclose its Supplemental Sample Loans for the other three Securitizations on June 17, 2013.

⁶ FHFA will disclose its Supplemental Sample Loans for the ACE 2006-HE4, ACE 2007-HE1, AHMA 2005-1, GSR 2007-OA2, INDX 2005-AR18, and INDX 2005-AR27 Securitizations on June 17, 2013, and for the ACE 2006-HE1 Securitization on June 21, 2013.

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Respectfully submitted,

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cc: All Counsel of Record